



EXPORT GUIDE
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HOW TO EXPORT

INTRODUCTION

India's Foreign Trade i.e. Exports, and Imports are regulated by Foreign Trade Policy (FTP) notified by Central government in exercise of powers conferred by section 5 of Foreign Trade Development and Regulation (FTD&R) Act 1992. Presently Foreign Trade Policy 2015-20 is effective from 1 April 2015. As per FTD&R Act, export is defined as an act of taking out of India any goods by land, sea, or air and with proper transaction of money. The FTP 2015-20 has been extended till 30 September 2021.

STARTING EXPORTS

To start export business, the following steps may be followed:

1) Establishing an Organisation

To start the export business, first a sole Proprietary concern/ Partnership firm/Company has to be set up as per procedure with an attractive name and logo.

2) Opening a Bank Account

A current account with a Bank authorized to deal in Foreign Exchange should be opened.

3) Obtaining Permanent Account Number (PAN)

It is necessary for every exporter and importer to obtain a PAN from the Income Tax Department. (To apply PAN Card [Click here](#))

4) Obtaining Importer-Exporter Code (IEC) Number

- As per the Foreign Trade Policy, it is mandatory to obtain IEC for export/import from India. Para 2.05 of the FTP, 2015-20 lays down the procedure to be followed for obtaining an IEC, which is PAN based.
- An application for IEC is filed online at www.dgft.gov.in as per ANF 2A, online payment of application fee of Rs. 500/- through net Banking or credit/debit card is made along with requisite documents as mentioned in the application form. (For more information [Click here](#))

5) Registration cum membership certificate (RCMC)

For availing authorization to import/ export or any other benefit or concession under FTP 2015-20, as also to avail the services/ guidance, exporters are required to obtain RCMC granted by the concerned Export Promotion Councils/ FIEO/Commodity Boards/ Authorities.

6) Selection of product

All items are freely exportable except few items appearing in prohibited/ restricted list.

After studying the trends of export of different products from India proper selection of the product(s) to be exported may be made.

7) Selection of Markets

An overseas market should be selected after research covering market size, competition, quality requirements, payment terms etc. Exporters can also evaluate the markets based on the export benefits available for few countries under the FTP. Export promotion agencies, Indian Missions abroad, colleagues, friends, and relatives might be helpful in gathering information.

8) Finding Buyers

Participation in trade fairs, buyer seller meets, exhibitions, B2B portals, web browsing are an effective tool to find buyers. EPC's, Indian Missions abroad, overseas chambers of commerce can also be helpful. Creating multilingual Website with product catalogue, price, payment terms and other related information would also help.

9) Sampling

Providing customized samples as per the demands of Foreign buyers help in getting export orders. As per FTP 2015-2020, exports of bonafide trade and technical samples of freely exportable items shall be allowed without any limit.

10) Pricing/Costing

Product pricing is crucial in getting buyers' attention and promoting sales in view of international competition. The price should be worked out taking into consideration all expenses from sampling to realization of export proceeds on the basis of terms of sale i.e. Free on Board (FOB), Cost, Insurance & Freight (CIF), Cost & Freight(C&F), etc. Goal of establishing export costing should be to sell maximum quantity at competitive price with maximum profit margin. Preparing an export costing sheet for every export product is advisable.

11) Negotiation with Buyers

After determining the buyer's interest in the product, prospects and continuity in business, demand for giving reasonable allowance/discount in price may be considered.

12) Covering Risks through ECGC

International trade involves payment risks due to buyer/ Country insolvency. These risks can be covered by an appropriate Policy from Export Credit Guarantee Corporation Ltd (ECGC). Where the buyer is placing order without making advance payment or opening letter of Credit, it is advisable to procure credit limit on the foreign buyer from ECGC to protect against risk of non-payment. (To know more about ECGC [Click here](#))

Processing an Export Order

i. Confirmation of order

On receiving an export order, it should be examined carefully in respect of items, specification, payment conditions, packaging, delivery schedule, etc. and then the order should be confirmed. Accordingly, the exporter may enter into a formal contract with the overseas buyer.

ii. Procurement of Goods

After confirmation of the export order, immediate steps may be taken for procurement/manufacture of the goods meant for export. It should be remembered that the order has been obtained with much efforts and competition so the procurement should also be strictly as per buyer's requirement.

iii. Quality Control

In today's competitive era, it is important to be strict quality conscious about the export goods. Some products like food and agriculture, fishery, certain chemicals, etc. are subject to compulsory pre-shipment inspection. Foreign buyers may also lay down their own standards/specifications and insist upon inspection by their own nominated agencies. Maintaining high quality is necessary to sustain in export business.

iv. Finance

Exporters are eligible to obtain pre-shipment and post-shipment finance from Commercial Banks at concessional interest rates to complete the export transaction. Packing Credit advance in pre-shipment stage is granted to new exporters against lodgment of L/C or confirmed order for 180 days to meet working capital requirements for purchase of raw material/finished goods,

labour expenses, packing, transporting, etc. Normally Banks give 75% to 90% advances of the value of the order keeping the balance as margin. Banks adjust the packing credit advance from the proceeds of export bills negotiated, purchased or discounted.

Post Shipment finance is given to exporters normally upto 90% of the Invoice value for normal transit period and in cases of usance export bills upto notional due date. The maximum period for post-shipment advances is 180 days from the date of shipment. Advances granted by Banks are adjusted by realization of the sale proceeds of the export bills. In case export bill becomes overdue Banks will charge commercial lending rate of interest.

v. Labeling, Packaging, Packing and Marking

The export goods should be labeled, packaged and packed strictly as per the buyer's specific instructions. Good packaging delivers and presents the goods in top condition and in attractive way. Similarly, good packing helps easy handling, maximum loading, reducing shipping costs and to ensuring safety and standard of the cargo. Marking such as address, package number, port and place of destination, weight, handling instructions, etc. provides identification and information of cargo packed.

vi. Insurance

Marine insurance policy covers risks of loss or damage to the goods during the while the goods are in transit. Generally, in CIF contract the exporters arrange the insurance whereas for C&F and FOB contract the buyers obtain insurance policy.

vii. Delivery

It is important feature of export and the exporter must adhere the delivery schedule. Planning should be there to let nothing stand in the way of fast and efficient delivery.

viii. Customs Procedures

It is necessary to obtain PAN based Business Identification Number (BIN) from the Customs prior to filing of shipping bill for clearance of export good and open a current account in the designated bank for crediting of any drawback amount and the same has to be registered on the system.

In case of Non-EDI, the shipping bills or bills of export are required to be filled in the format as prescribed in the Shipping Bill and Bill of Export (Form) regulations, 1991. An exporter needs to apply different forms of shipping bill/

bill of export for export of duty-free goods, export of dutiable goods and export under drawback etc.

Under EDI System, declarations in prescribed format are to be filed through the Service Centers of Customs. A checklist is generated for verification of data by the exporter/CHA. After verification, the data is submitted to the System by the Service Center operator and the System generates a Shipping Bill Number, which is endorsed on the printed checklist and returned to the exporter/CHA. In most of the cases, a Shipping Bill is processed by the system based on declarations made by the exporters without any human intervention. Where the Appraiser Dock (export) orders for samples to be drawn and tested, the Customs Officer may proceed to draw two samples from the consignment and enter the particulars thereof along with details of the testing agency in the ICES/E system.

Any correction/amendments in the check list generated after filing of declaration can be made at the service center, if the documents have not yet been submitted in the system and the shipping bill number has not been generated. In situations, where corrections are required to be made after the generation of the shipping bill number or after the goods have been brought into the Export Dock, amendments are carried out in the following manners.

1. The goods have not yet been allowed "let export" amendments may be permitted by the Assistant Commissioner (Exports).
2. Where the "Let Export" order has already been given, amendments may be permitted only by the Additional/Joint Commissioner, Custom House, in charge of export section.

In both the cases, after the permission for amendments has been granted, the Assistant Commissioner / Deputy Commissioner (Export) may approve the amendments on the system on behalf of the Additional /Joint Commissioner. Where the printout of the Shipping Bill has already been generated, the exporter may first surrender all copies of the shipping bill to the Dock Appraiser for cancellation before amendment is approved on the system.

ix. Customs House Agents

Exporters may avail services of Customs House Agents licensed by the Commissioner of Customs. They are professionals and facilitate work connected with clearance of cargo from Customs.

x. Documentation

FTP 2015-2020 describe the following mandatory documents for import and export.

Bill of Lading/ Airway bill, Commercial invoice cum packing list, shipping bill/ bill of export/ bill of entry (for imports)

(Other documents like certificate of origin, inspection certificate, etc. may be required as per the case.)

xi. Submission of documents to Bank

After shipment, it is obligatory to present the documents to the Bank within 21 days for onward dispatch to the foreign Bank for arranging payment. Documents should be drawn under Collection/Purchase/Negotiation under L/C, along with the following documents

- Bill of Exchange
- Letter of Credit (if shipment is under L/C)
- Invoice
- Packing List
- Airway Bill/Bill of Lading
- Declaration under Foreign Exchange
- Certificate of Origin/GSP
- Inspection Certificate, wherever necessary
- Any other document as required in the L/C or by the buyer or statutorily.

xii. Realization of Export Proceeds

As per FTP 2015-2020, all export contracts and invoices shall be denominated either in freely convertible currency of Indian rupees, but export proceeds should be realized in freely convertible currency except for export to Iran. Export proceeds should be realized in 9 months.

Source: <https://www.indiantradeportal.in/vs.jsp?lang=0&id=0,25,44>

REGISTRATION ON DGFT PORTAL

Pre-requisites for registration

1. Internet Connection
2. Valid Email and Mobile Phone Number

Steps to Register

1. Visit the DGFT website ([Click here](#)) and proceed with registration process.
2. Enter the Registration Details.
3. Enter the OTPs received on email and mobile number.
4. Upon Successful validation of the OTP, you shall receive a notification containing the temporary password which you need to change upon first login.

After Registration

Once the user registers and logs in to the Customer Portal

- a) Existing Importer/Exporter shall Link the IEC.
- b) New Importer/Exporter may Apply for IEC

Proceed with the following Steps to Register

Screen 1: DGFT Website - Click Login

The screenshot shows the DGFT website interface. At the top, there is a navigation bar with the Government of India logo and the text "GOVERNMENT OF INDIA | MINISTRY OF COMMERCE AND INDUSTRY". Below this is a dark blue header with the DGFT logo and the text "विदेश व्यापार महानिदेशालय | DIRECTORATE GENERAL OF FOREIGN TRADE". The main content area features a large banner for "Azadi Ka Amrit Mahotsav" with a portrait of Prime Minister Narendra Modi and the text "Let us SING THE NATIONAL ANTHEM". To the right of the banner is a section titled "Register for your IEC" with a detailed explanation of the IEC and a "Apply for IEC" button. Below this is an "ANNOUNCEMENTS" section with a warning about spurious websites and a "Ask VAHEI" chatbot icon.

Screen 2: DGFT Registration Page - Fill in the information in the fields. Fields marked with * are mandatory

The screenshot shows the DGFT Registration Page. The page header includes the Government of India logo and the text "GOVERNMENT OF INDIA | MINISTRY OF COMMERCE AND INDUSTRY". The main content area features a large blue banner with the text "Glad to see you" and an illustration of a person at a computer. Below the banner is a registration form with the following fields:

- Register User As***: A dropdown menu with "Please Select" as the current selection. A red asterisk indicates this is a mandatory field.
- First Name***: A text input field with "ENTER FIRST NAME" as a placeholder.
- Last Name**: A text input field with "ENTER LAST NAME" as a placeholder.
- Email ID***: A text input field with "Enter Email Id" as a placeholder.
- Mobile No.***: A text input field with "Enter Mobile No" as a placeholder.
- Pincode***: A text input field with "Enter Pincode" as a placeholder.
- District***: A dropdown menu with "Please Select" as the current selection.
- State***: A dropdown menu with "Please Select" as the current selection.
- City***: A text input field with "Enter City" as a placeholder.
- CAPTCHA**: A field labeled "Type the above CAPTCHA Code.*" with a text input field containing "Please enter above CAPTCHA Code".

At the bottom of the form, there is a logo for "RNMWC" and a "Register" button. The background of the page includes a navigation bar with "Skip to main content", "Sitemap", "A-", "A", "A+", "Helpline 1800-111-550", "Ask VAHEI", and "English" with a dropdown arrow. There is also a "Login" link in the top right corner.

Screen 3: DGFT Registration Page - Enter the OTPs received and Click Register

The screenshot shows the DGFT Registration Page with a modal window for entering OTPs. The modal window has a yellow header that says "OTP sent successfully". Below the header, the registration form is displayed with the following fields:

- First Name***: A text input field with a blurred placeholder.
- Last Name**: A text input field with a blurred placeholder.
- Email ID***: A text input field with a blurred placeholder followed by "@gmail.com".
- Mobile No.***: A text input field with a blurred placeholder.
- Enter Email OTP***: A text input field with "Enter Email OTP" as a placeholder.
- Enter Mobile OTP***: A text input field with "Enter Mobile OTP" as a placeholder.

At the bottom of the modal, there is a "Back" button and a "Register" button. A timer "12 : 26" is displayed next to the OTP input fields. The background of the page includes the same navigation bar as in Screen 2, with "Skip to main content", "Sitemap", "A-", "A", "A+", "Helpline 1800-111-550", "Ask VAHEI", and "English" with a dropdown arrow. There is also a "Login" link in the top right corner.

APPLYING FOR NEW IMPORTER EXPORTER CODE (IEC)

To Apply for Importer Exporter Code (IEC) on the DGFT website you would require:

- a) Valid Login Credentials to DGFT Portal (After Registering on DGFT website).
- b) User should have an active Firms Permanent Account Number (PAN) and its details like Name as per Pan, Date of Birth, or Incorporation. Note: These details will be validated with the Income Tax Department site.
- c) Scanned Documents for Upload in the System (PDF Only and Max file size of 5 MB).
 - a. Proof of establishment/incorporation/registration.
 - i. Partnership
 - ii. Registered Society
 - iii. Trust
 - iv. HUF
 - v. Others
 - b. Proof of Address can be any one of the following documents:
 - i. Sales deed, rent agreement, lease deed, electricity bill, telephone land line bill, mobile, postpaid bill, MoU, Partnership deed
 - ii. Other acceptable documents (for proprietorship only): Aadhar card, passport, voter id
 - iii. In case the address proof is not in the name of the applicant firm, a no objection certificate (NOC) by the firm premises' owner in favor of the firm along with the address proof is to be submitted as a single PDF document.
 - c. Proof of Firm's Bank Account
 - i. Cancelled Cheque
 - ii. Bank Certificate
- d) User should have an active Digital Signature Certificate (DSC) or Aadhaar of the firm's member for submission.
- e) Active Firm's Bank account for entering its details in the Application and to make online payment of the application fee.

Note: User will not be able to continue with application if the Firm's PAN has already been used for registration of IEC with DGFT. (Either PAN Based IEC or Numeric IEC)

For more details please [click here](#).

Links and Resources

Export Promotion Organisations in India

[Federation of Indian Export Organisations \(FIEO\)](#) Apex body of all Export Promotion Councils/Commodity Boards/Export Development Authorities (Export Promotion Organisations) in India set up by the Ministry of Commerce and Industry

[Agricultural and Processed Food Products Export Development Authority](#)

[Apparel Export Promotion Council](#)

[Basic Chemicals Pharmaceuticals & Cosmetic Export Promotion Council](#)

[Carpet Export Promotion Council](#)

[Cashew Export Promotion Council of India](#)

[Chemicals and Allied Products Export Promotion Council](#)

[Coffee Board](#)

[Coir Board](#)

[Coconut Development Board](#)

[Cotton Textiles Export Promotion Council](#)

[Council for Leather Exports](#)

[Engineering Export Promotion Council](#)

[Export Promotion Council for EOUs and SEZ Units](#)

[Electronics & Computer Software Export Promotion Council](#)

[Export Promotion Council for Handicrafts](#)

[Gem & Jewellery Export Promotion Council](#)

[Handloom Export Promotion Council](#)

[Indian Silk Export Promotion Council](#)

[Indian Oilseeds & Produce Exporters Association EPC \(IOPEA\)](#)

[Jute Products Development and Export Promotion Council - \(JPDEPC\)](#)

[Marine Products Export Development Authority](#)

[Project Exports Promotion Council of India](#)

[The Plastics Export Promotion Council](#)

[Powerloom Dev. and Export Promotion Council](#)

[Pharmaceutical Export Promotion Council](#)

[Rubber Board](#)

[Service Export Promotion Council](#)

[Shellac Export Promotion Council](#)

[Spices Board](#)

[Sports Goods Export Promotion Council](#)

[Synthetic & Rayon Textiles Export Promotion Council](#)

[Tea Board](#)

[Telecom Equipment and Services Export Promotion Council \(TEPC\)](#)

[Tobacco Board](#)

[Wool and Woolen Export Promotion Council](#)

[Wool Industry Export Promotion Council](#)
